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1. Salaries and allowances of Chinese Communist administrative personnel are divided into two general categories, the ration system and the salary system. One type of salary system is the wage in rice, by which an individual's salary is fixed in terms of market catties of rice. Another type is the daily necessities conversion unit, by which the salary is fixed in terms of set quantities of the four main daily necessities: rice, coal, oil, and cloth. In both cases the employee is paid in JMP in accordance with the exchange rate announced periodically by the local China Food Company. This exchange rate is based on the market price of the daily necessities.
2. Administrative organizations of the North China Area use the wage in rice system; those of the East China Area use the daily necessities conversion unit; and those of the Central and South China Area use both, but predominately the wage in rice system.
3. The Committee of Finance and Economics has ordered the major administrative districts to compute wages for salaried personnel of their administrative organizations on the basis of a third type of salary system, the wage unit (工資分). This system was established especially for calculating wages of workers and operates the same way the daily necessities conversion unit does, but uses more and different commodities. Administrative organizations in the Northeast District had already been applying the wage unit to its personnel. The order issued by the Committee of Finance and Economics covered the following points:
  - a. The objective of the order is to unify wage calculations for salaried personnel of all administrative organizations throughout the country and to contribute to planned administration of national finance and economics.

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- b. Use of the wage unit will guarantee a fixed standard of living for salaried personnel because price fluctuations will not alter their real income.
  - c. There will be no variation between the wage units used to calculate compensation for salaried personnel and for workers.
  - d. In accordance with the principle of not increasing Central Government expenditures, various regional authorities, when they can afford to do so, may institute the wage unit as the basis of calculating salaries. At the same time, they may make suitable adjustments, not to exceed 15 percent of the original salaries, in the salaries of various grades of personnel on the basis of an individual's ability, attitude, and performance.
  - e. The wage unit will be used on a trial basis in areas where wage in rice is now used as the unit. If the trial is successful, the wage unit system will be extended to areas where the daily necessities conversion unit is being used.
  - f. The wage unit system is suitable for calculating salaries of the following persons:
    - (1) Non-Communist Party employees in various regional bureaus and committees of the Party organization.
    - (2) Salaried personnel of government councils, ministries, and administrative organizations of the major administrative regions and subordinate governmental organizations.
    - (3) Salaried personnel of various government enterprises, factories, and mines.
    - (4) Salaried personnel of various regional public security organizations.
4. As of 24 November 1951, the rates of exchange of the various types of salary systems were as follows:
- |   |          |
|---|----------|
| One daily necessities conversion unit     | JMP 5911 |
| One wage unit                             | JMP 2335 |
| One wage in rice unit (i.e. market catty) | JMP 1069 |

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